

**Instructions for the Preparation of the Tennessee Sales and Use Tax return
for TV Programming and Telecommunication Services**

Line 1, Gross sales of TV programming:

Enter all TV programming sales. Include cash sales, credit sales, conditional sales and sales exempt from tax. Exclude the amount of sales tax collected or accrued.

Line 2, Gross sales of Telecommunication Services:

Enter all telecommunications sales. Include cash sales, credit sales, conditional sales and sales exempt from tax. Exclude the amount of sales tax collected or accrued.

Line 3, Gross sales of Tangible Personal Property and Services:

Enter all sales including exempt sales for sales of tangible personal property, leases or rental of tangible personal property, and all sales of taxable services except TV programming and telecommunication services.

Line 4, Use Tax on items obtained from out-of-state or imported into Tennessee for your use:

Enter cost of tangible personal property which was purchased from a dealer in Tennessee without the payment of sales and use tax that was not resold and tangible personal property imported from out-of-state for use and consumption in this state, but used by your business. Do not enter the cost of items remaining in inventory for resale.

Line 5, Total:

Add lines 1, 2, 3, and 4.

Line 6, Exempt Transactions from Schedule A:

Enter the total amount from Schedule A, line A9, Page 2. Exemptions may be disallowed if not detailed as indicated in the appropriate category in Schedule A (see instructions for Schedule A).

Line 7, Net Taxable Total:

Subtract line 6 from line 5.

Line 8, Cable and Wireless Cable TV Programming Fees from \$15.01 through \$27.50:

Enter taxable fees in the amount of \$15.01 up to and including \$27.50 charged to each subscriber for TV programs sold by a qualified cable or wireless cable television programming provider.

Line 9, Direct to Home Satellite TV Programming Sales:

Enter total taxable sales of TV programming services sold by a direct-to-home satellite service provider.

Line 10, State Tax:

Add lines 8 and 9 and multiply the total by 8.25%. Enter total.

Line 11, Sales to Businesses of Interstate Telecommunication Services:

Enter total taxable sales to businesses of interstate telecommunication services (defined as telecommunications that originate or are received in Tennessee and are charged to a service address or billing address) in Tennessee.

Line 12, State Tax:

Multiply line 11 by 3.5% and enter total.

Line 13, State Tax:

Take the total of line 7 and subtract lines 8, 9, and 11, then multiply the result by 6% and enter here.

Line 14, Local Tax:

- A. Multiply the amount from Schedule B, line B5 on the reverse side by 1.5%.
 - B. Multiply amount from Schedule B, line B8 on the reverse side by the local rate shown on line 14B.
- Add the amounts of 14A and 14B and enter total.

Line 15:

Enter any tax collected in excess of state and local taxes shown on lines 10, 12, 13, and 14.

Line 16, Total Tax:

Add lines 10, 12, 13, 14, and 15.

Line 17, Vendors Compensation:

Multiply 2% of the total tax on line 16 and enter. Maximum deduction is \$25.

Line 18, Credit Memo Balance:

If your account has a credit balance from an overpayment on a prior return, enter the amount of this line and deduct from line 16.

Line 19, Penalty for Late Filing:

When the return is late at time of filing, enter 5.00% on line 16 for 1-30 days late, 10% for 31-60 days late and so on until a maximum of 25% of line 16 is reached for returns that are more than 120 days late. When a credit balance is shown on a return that is late filed, first deduct line 18 from line 16 and calculate the penalty charges on the net amount after the credit deduction. For example, if line 16 were \$500 and line 18 were \$100, the penalty would be calculated on \$400. The minimum penalty is \$15.00 even when the return reflects no tax due but is late filed.

Line 20, Interest for Late Filing:

Interest is figured at the rate indicated per year on the amount of tax due from line 16 (or on the net of line 18 from line 16 when a credit is present) from the due date of the return until the late filed return is postmarked.

Line 21, Total Due:

When the return is timely filed, deduct the vendor's compensation and the credit balance (if any) from line 16. On late filed returns, deduct line 18 from line 16, calculate the penalty and interest on the net. Enter the result here.